DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTHCARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 14 - 0016

2. STATE: Michigan

3. PROGRAM IDENTIFICATION:
TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
October 1, 2014

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 447.252

7. FEDERAL BUDGET IMPACT:
a. FFY 2015 $ 0
b. FFY 2016 $ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Supplement to Attachment 3.1-A, Page 8, 27j and 27k

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
Supplement to Attachment 3.1-A, Page 8, 27j and 27k

10. SUBJECT OF AMENDMENT:
Amends State Plan language to reflect changes in outpatient therapy service limits for occupational, physical and speech therapy by increasing the duration of the limits before prior authorization is required.

11. GOVERNOR'S REVIEW *(Check One)*:

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☒ OTHER, AS SPECIFIED:
Stephen Fitton, Director
Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:
Stephen Fitton

13. TYPED NAME:
Stephen Fitton

14. TITLE:
Director, Medical Services Administration

15. DATE SUBMITTED:
December 16, 2014

16. RETURN TO:
Medical Services Administration
Actuarial Division
Capitol Commons Center - 7th Floor
400 South Pine Street
Lansing, Michigan 48933

Attn: Loni Hackney

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18 DATE APPROVED:

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPE NAME:

22. TITLE:

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

Amount, Duration and Scope of Medical and Remedial Care Services Provided to the Categorically and Medically Needy

2. **OUTPATIENT HOSPITAL SERVICES**

Professional fees for services provided in the outpatient department of a hospital will be paid only when such payment does not duplicate payment to the hospital.

Educational costs associated with the outpatient department will be reimbursed to hospitals with approved training programs (as described in 404.1 of the HIM-15 manual).

Payment will not be made for services of staff in residence, e.g., interns and residents or medical staff functioning in an administrative or supervisory capacity (including physician - owners) who are paid by the hospital or other sources.

Outpatient services relating to routine examinations only, i.e., unrelated to a specific illness, symptom, complaint, or injury, are not covered, except when provided to eligible children under age 21 as part of a program of early and periodic screening, diagnosis and treatment. (See Item 4b.)

Outpatient hospital services include prenatal and postnatal care; and services listed below when medically necessary for the diagnosis or treatment of an illness or injury when ordered by and under the direction of a physician (M.D. or D.O.), and services performed by the physician:

1) radium treatment
2) therapeutic x-ray
3) diagnostic x-ray
4) emergency treatment
5) physical therapy, as defined in 1.a of Supplement to Attachment 3.1-A. Prior approval is required if services ARE MEDICALLY NECESSARY AND exceed the time or frequency limits AS DESCRIBED IN MEDICAID POLICY for:
   initial treatment ~~(36 times in 90 consecutive calendar days)~~ or
   maintenance/monitoring ~~(four times in the 90-day allowed period)~~
6) laboratory tests
7) electrocardiogram
8) electroencephalogram
9) basal metabolism
10) hemodialysis

NOTE: The patient who receives hemodialysis in his home is considered to be a hospital outpatient. Therefore, payment for the cost of hemodialysis supplies, such as plastic tubing, chemicals, disposable coils, etc., may be made under the Program.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

Amount, Duration and Scope of Medical and Remedial Care Services Provided to the Categorically and Medically Needy

13. Other Diagnostic, Screening, Preventive and Rehabilitative Services (continued)

d. Rehabilitative Service (continued)

11) Out Patient Therapy Services

A. Physical Therapy

1) Services are covered as defined in 1.a of Supplement to Attachment 3.1-A. Prior approval is required if services ARE MEDICALLY NECESSARY AND exceed the time or frequency limits AS DESCRIBED IN MEDICAID POLICY for:

A) Initial treatment ~~(36 times in 90 consecutive days);~~ or,

B) Maintenance/monitoring ~~(four times in the 90 day allowed period)~~

1) Services may be provided under the auspices of (and billed by) any of the following:

A) Outpatient hospital;
B) Medicare-enrolled comprehensive outpatient rehabilitation facility as defined under 42 CFR 485.58;
C) Medicare-enrolled outpatient rehabilitation agency as defined under 42 CFR 485.717;
D) Commission on Accreditation of Rehabilitation Facilities (CARF) accredited outpatient medical rehabilitation program

B. Occupational Therapy

1) Services are covered as defined in 1.a of Supplement to Attachment 3.1-A. Prior approval is required if services ARE MEDICALLY NECESSARY AND exceed the time or frequency limits AS DESCRIBED IN MEDICAID POLICY for:

A) Initial treatment ~~(36 times in 90 consecutive days);~~ or,

B) Maintenance/monitoring ~~(four times in the 90 day allowed period)~~

2) Services may be provided under the auspices of (and billed by) any of the following:

A) Outpatient Hospital;
B) Medicare-enrolled comprehensive outpatient rehabilitation facility as defined under 42 CFR 485.58;
C) Medicare-enrolled outpatient rehabilitation agency as defined under 42 CFR 485.717;
D) Commission on Accreditation of Rehabilitation Facilities (CARF) accredited outpatient medical rehabilitation program